



VIETNAM
HOLDING

23 March 2021



NAV c. £98.6m
£82.4m
Market cap

Closed-end fund
listed on LSE
Main Market

Partner owned
Manager with
locally based team

+10.4%* p.a. over 10 years
*Vietnam All Share +7.4%** p.a.*

Nimble stock selection, actively managed, high-conviction portfolio with integrated ESG

26 holdings
Largest holding **9.9%**
Zero gearing

41.5% of NAV FOL***
stocks

Thematic exposures:
37% Industrialization
14% Consumer
17% Urbanization

60% Active Share
29% mid & small cap
71% large cap
VN All Share split (20%/80%)

Vietnam

Country Profile



Population



97.6mn
Population
15th in the world



32.5 years
Median age
Youngest in ASEAN



85%
Ethnic Kinh
Stable socio-political environment



98%
Literacy rate
2nd highest among top 10 investible FM countries



>65%
Internet penetration
High growth in digital economy and e-commerce



36%
Urbanization rate
Rapidly increasing

Economy



2.91%
2020 GDP growth
Among the highest in the world



USD28.5bn
2020 FDI influx
The 2nd largest share in ASEAN



2x GDP
Total trade
Increasingly open economy



USD3,000
2020 GDP per capita
High and stable growth



3.2%
2020 Inflation
Stable macroeconomic



15
FTAs concluded
2 FTAs in negotiations

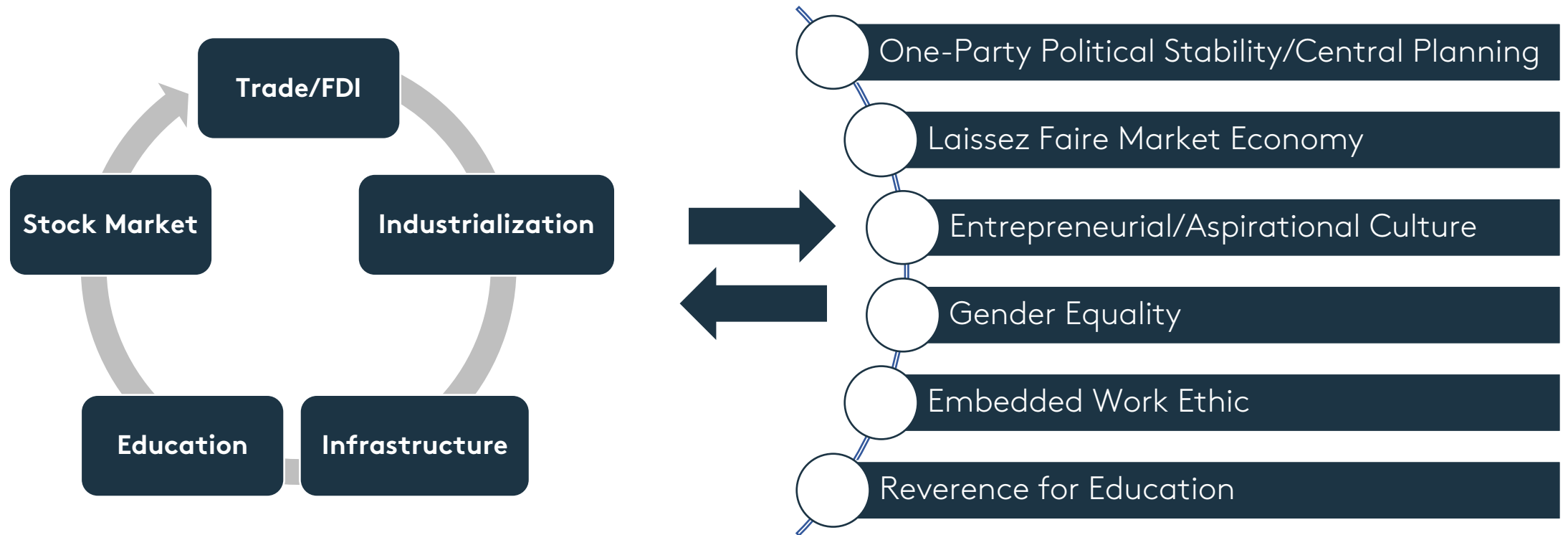
Key export products

- Smartphones & Accessories
- Textiles & Footwear
- Computers & Electrical Products
- Machinery & Equipment



35 years ago, Vietnam implemented far-reaching policies that structurally transformed the economy and society and paved the way for the development of the country's financial markets.

Creating the Virtuous Cycle

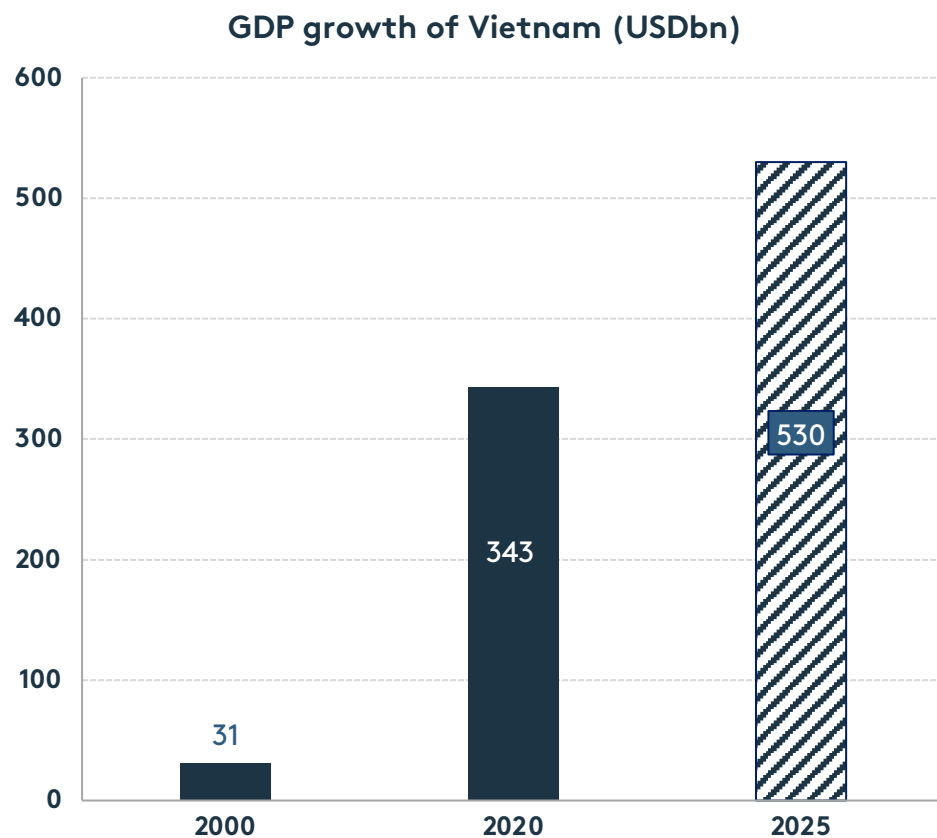


Vietnam Opportunity:

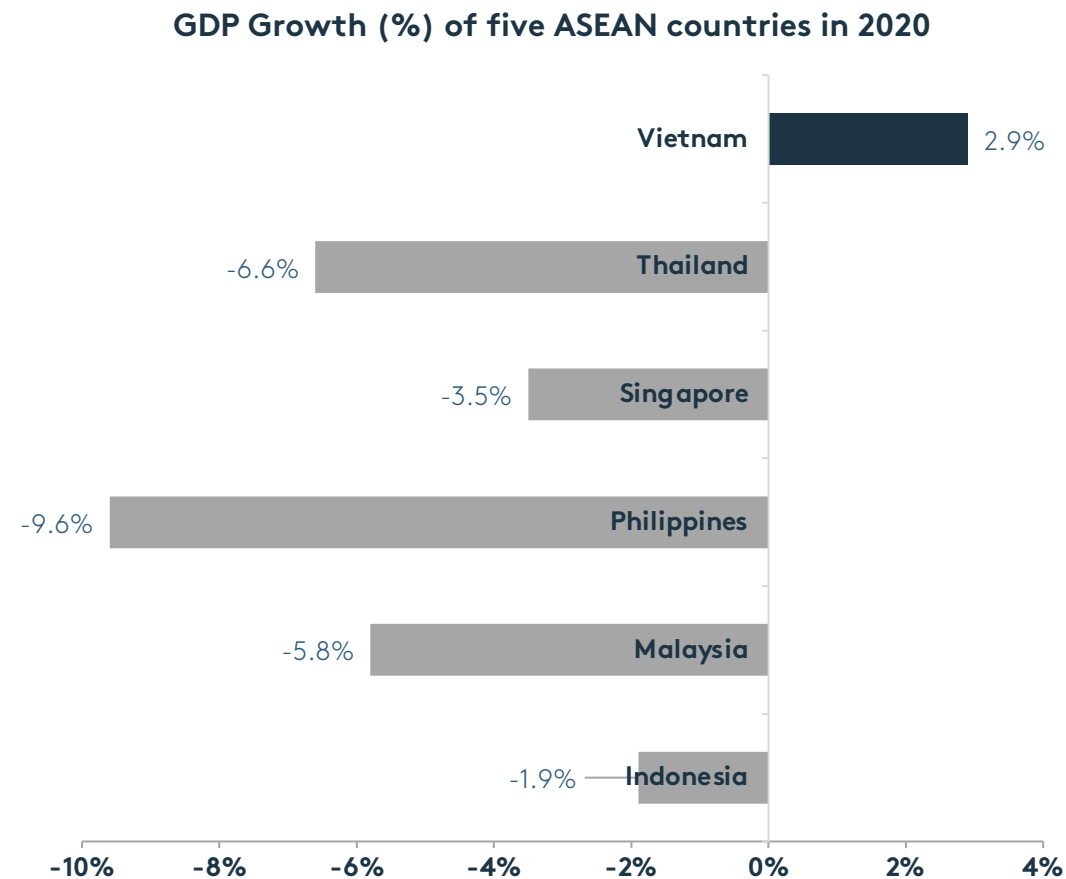
Pandemic Winner becomes the growth engine of ASEAN



30 years of high growth in GDP



Winner among 5 ASEAN countries in the year of the pandemic

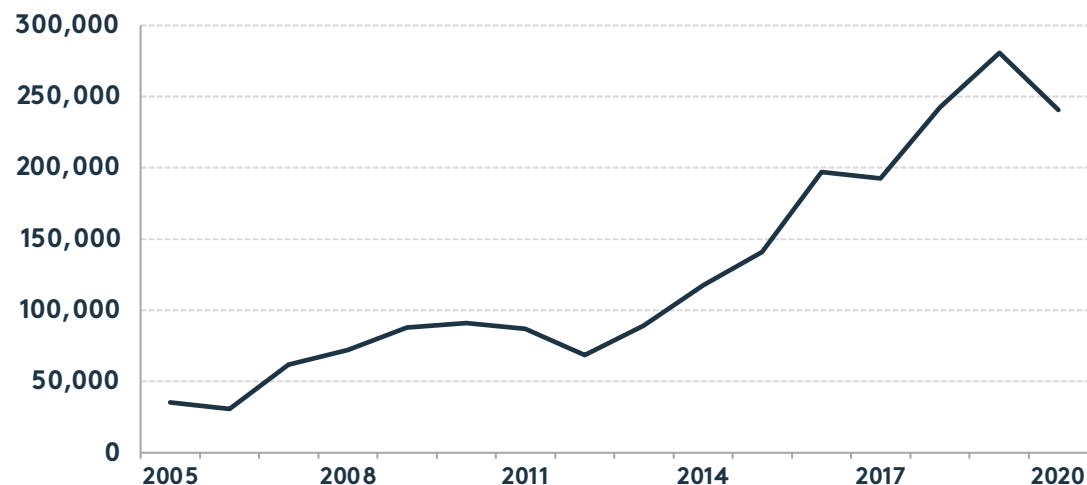


Domestic consumption

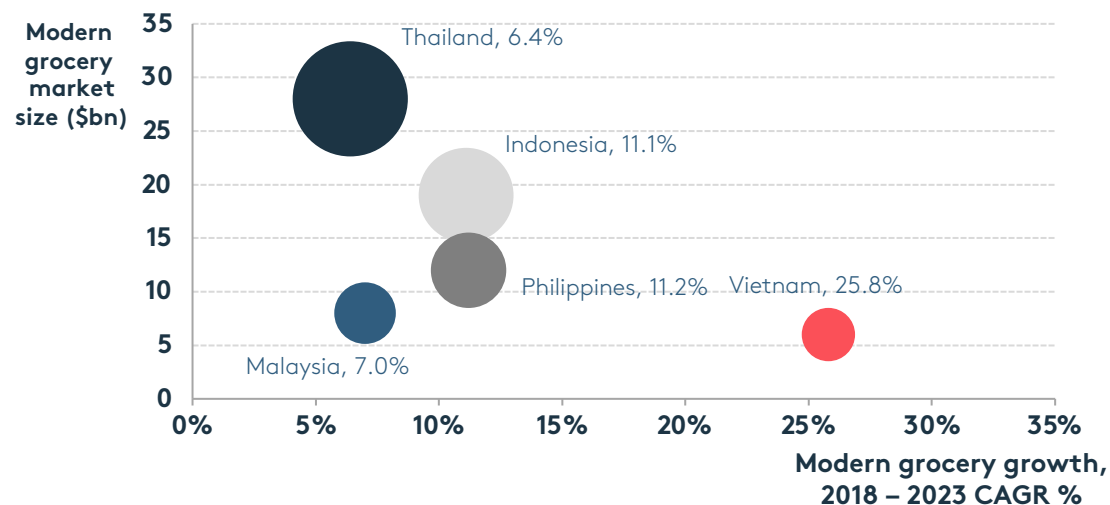
An emerging consumer market with increasing disposable incomes



Auto sales in Vietnam over the years (units)



Modern grocery in ASEAN countries (USD bn)



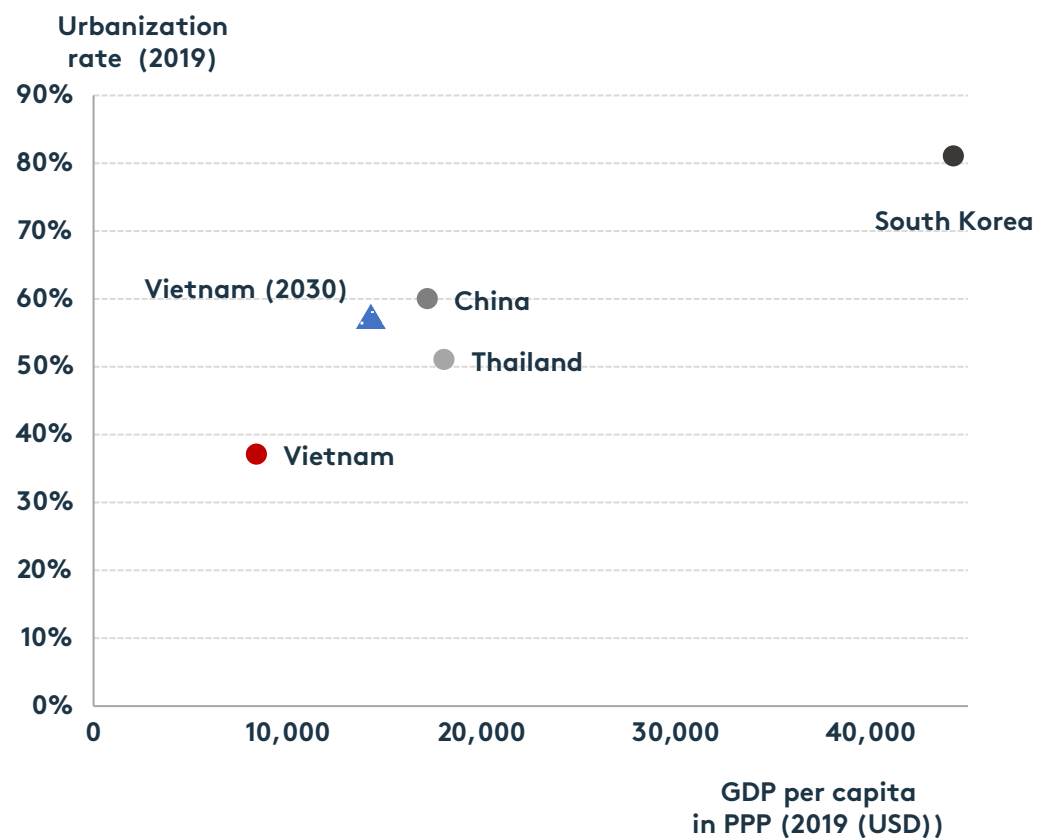
- Car ownership doubled over last 5 years - only 23 cars per capita compared to 205 across ASEAN and 200 in China, so much more to come (hopefully EVs).
- Fastest growing market for convenience stores in Asia (IDG research) – in 2019 only 1 per 55,000 people compared to 1 per 25,000 in China and 1 per 2,100 in S Korea.
- Modern trade already at ~25% of total retail sales, could reach 40% by 2025.
- Young and dynamic market creating huge opportunities for retailers

Domestic Consumption

Low urbanization with high potential for growth

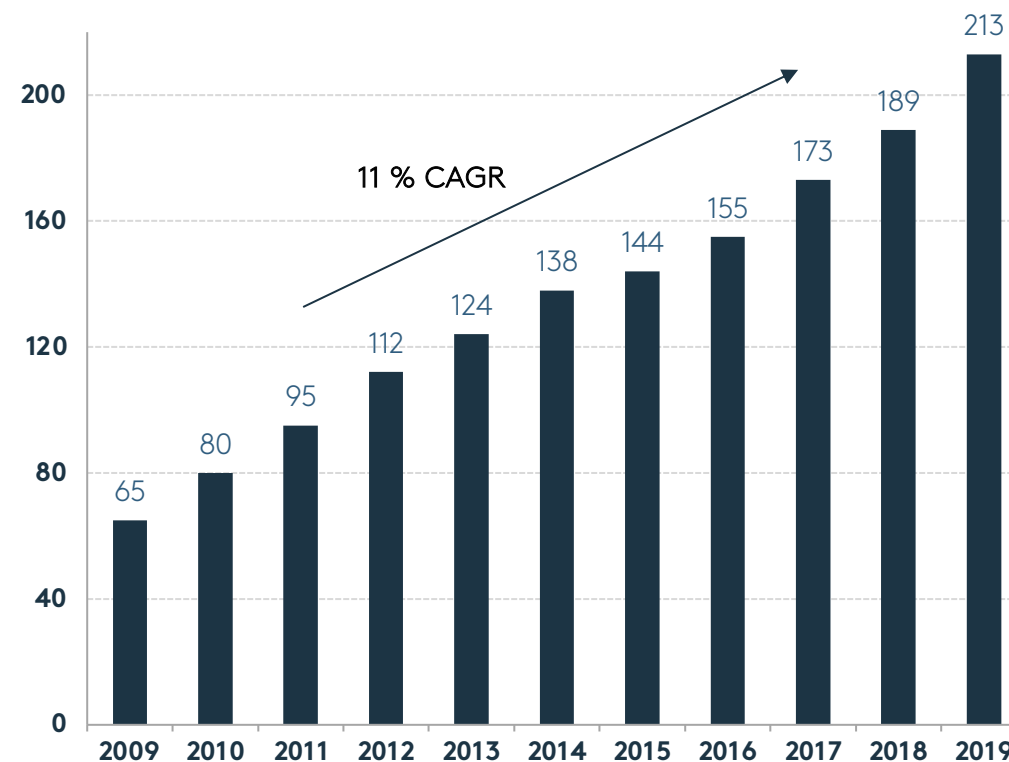


36% urbanization rate (Western Europe after WWII)



- Urbanization will boost domestic consumption

Vietnam retail sales (USD bn)



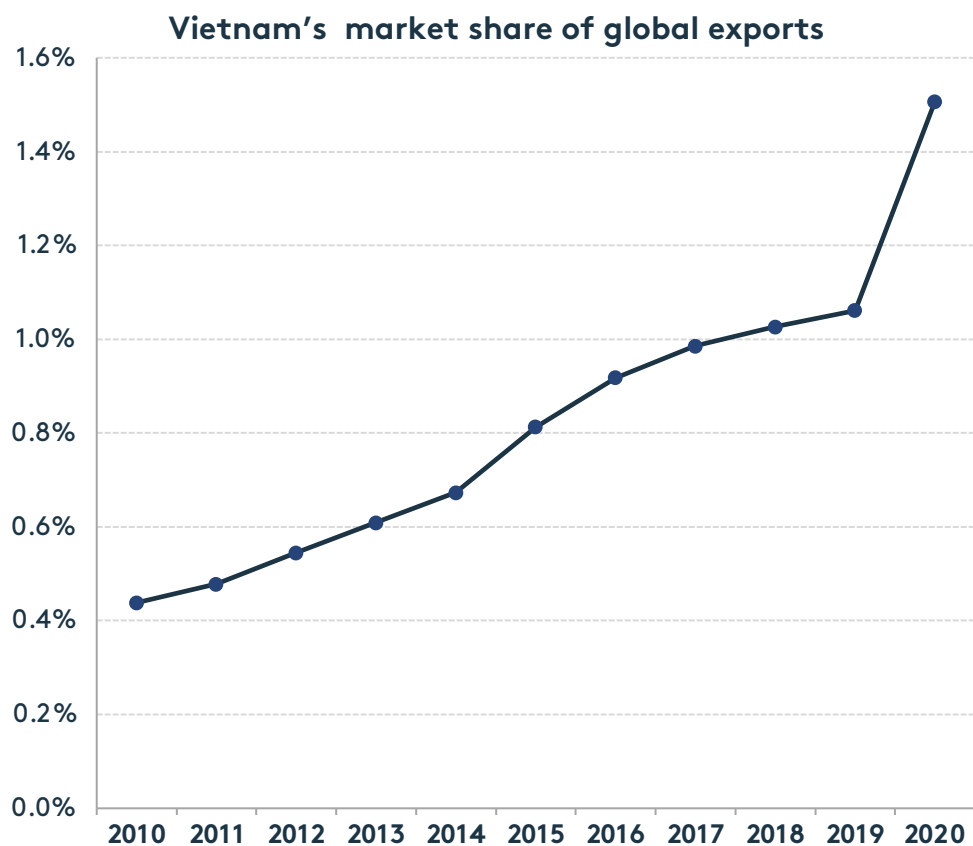
- A sizeable retail market (~\$200 bn)
- Expected higher growth after reaching the inflection point of \$3,000 per capita

International trade

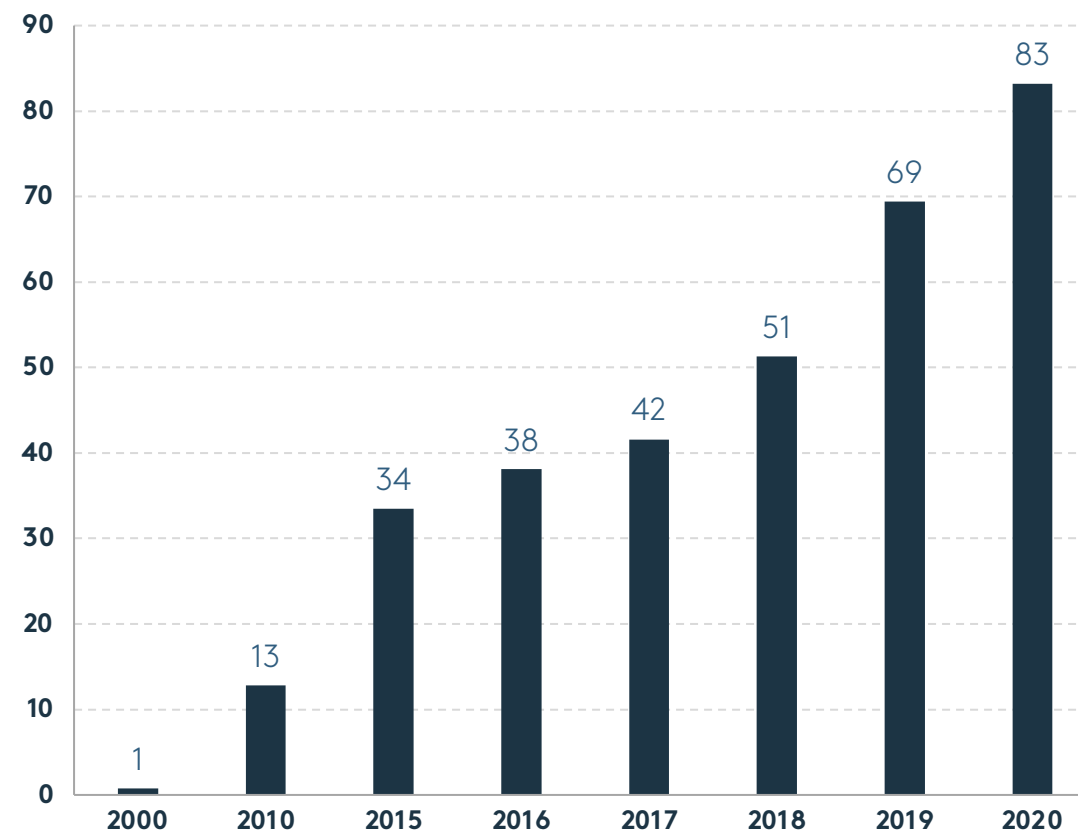
Increasingly an important part of the global supply chain



Increasing market share in global market



Vietnam's exports to the US market (USDbn)

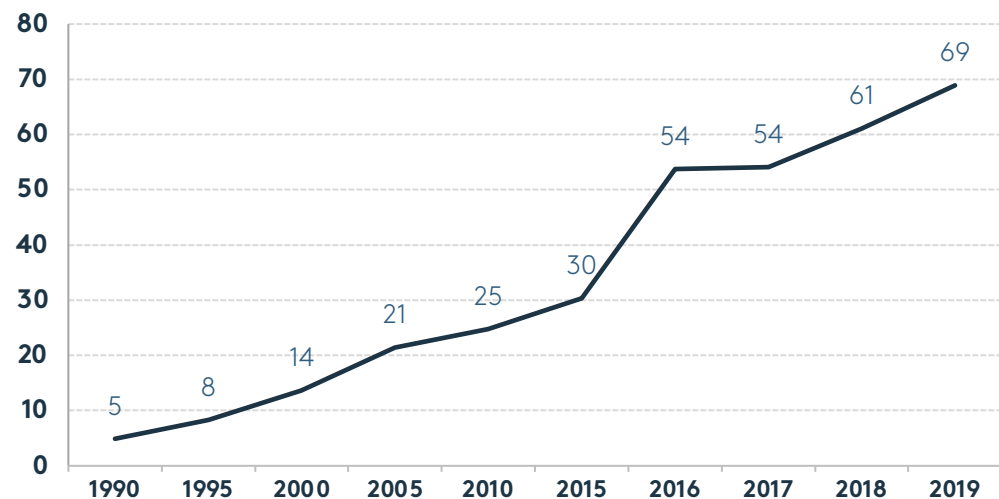


Participation in the global value chain

Increasingly value-added exports



Vietnam's value-added exports (USD bn)



- Vietnam's value-added exports increased 17 times over last 30 years.
- Change from reliance on exporting agricultural products (rice, coffee and fruit) to high-tech products such as smartphones, tablets, computers and accessories.

1990

Rice, fruits



2000

Shoes



2010

Textiles



2020

Electronics



2025

What next?

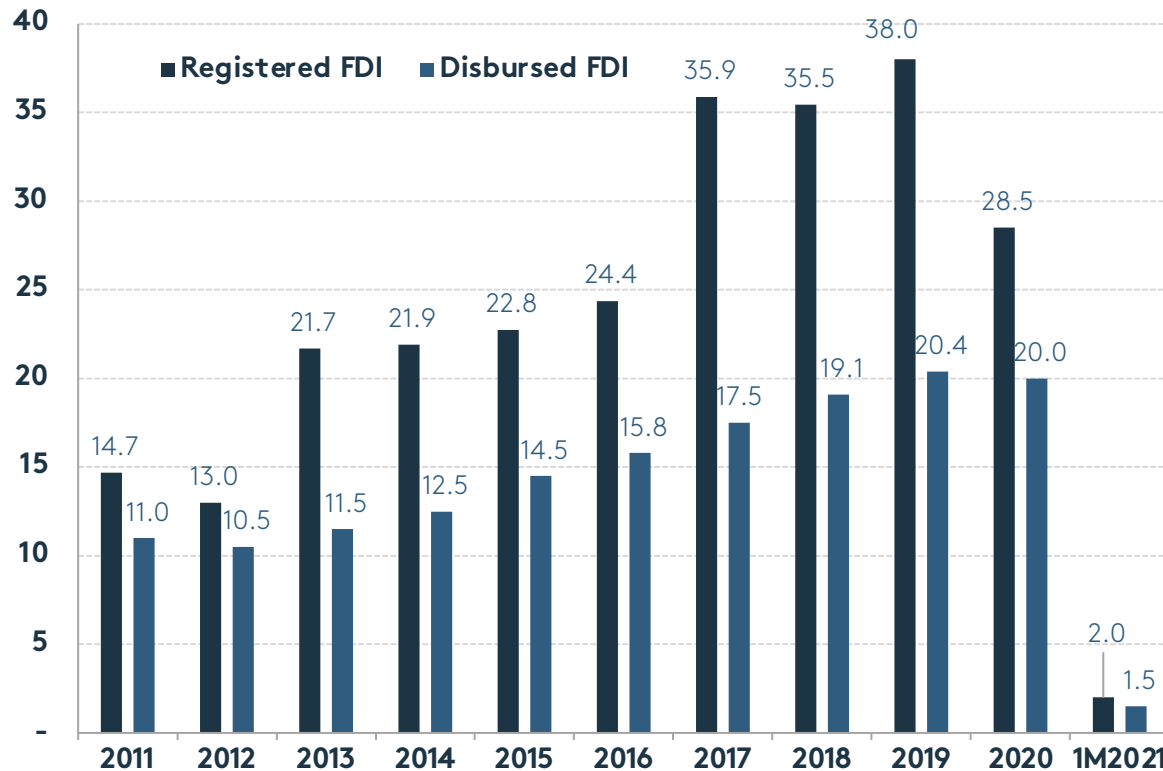


Participation in the global value chain

Attracting foreign investment in technology manufacturing and lower carbon energy



Strong and sustainable influx of FDI (USD bn)



Green Energy
\$10 bn (MOU),
Denmark



Green Energy
\$2.8 bn, US



Technology
\$17.3 bn, Korea



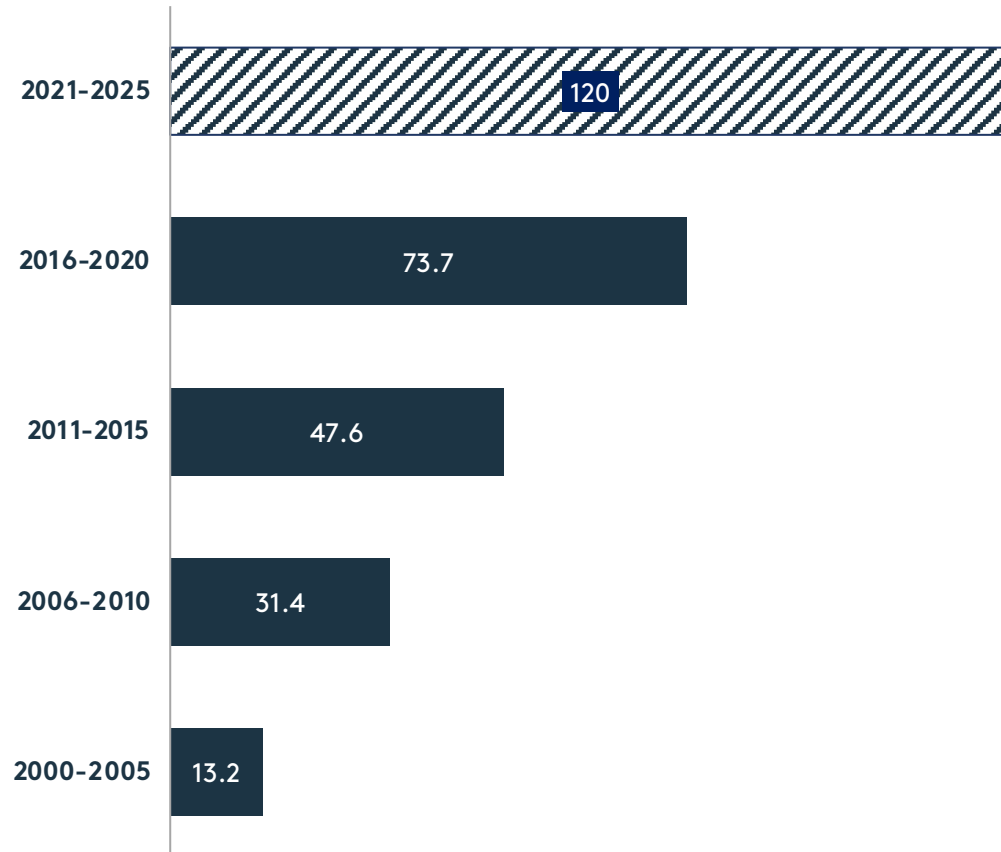
Technology
\$1.5 bn, US



Technology
\$279 mn, Taiwan



Public Investment Disbursement (\$bn)



- Over the next five years, Vietnam plans to mobilize \$120bn in public investment projects.
- New Law on Public Investment (2019) to encourage private investors to join in via Public-Private-Partnership (PPP) initiatives.
- Domestic infrastructure spend expected to have a multiplier effect on economic growth.

Accelerating Public Investment

Transportation infrastructure projects needed to maintain long-term growth



Long Thanh Airport Stage 1

Investment: \$4.7 bn

Completion: 2025



Metro Ha Noi Line 5

Investment: \$2.8 bn

Completion: 2025



North – South Expressway

Investment: \$13.4 bn

Completion: 2030



Metro Ho Chi Minh Line 1

Investment: \$2.5 bn

Completion: 2022



Young and dynamic population enabled by digital transformation



>60%
Internet penetration



1,000,000
Employees in IT



80,000
IT graduates per year

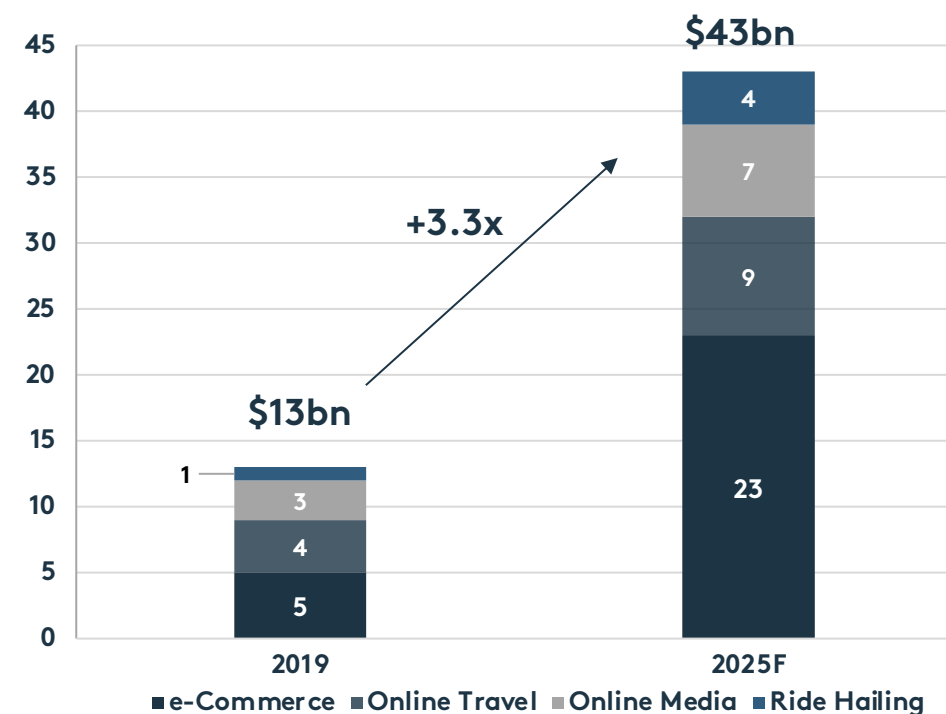


30,000
Businesses in the ICT sector



Public and private investment in IT
5G, digital government, start-ups ecosystem

Vietnam digital economy 2019-2025 (\$bn)



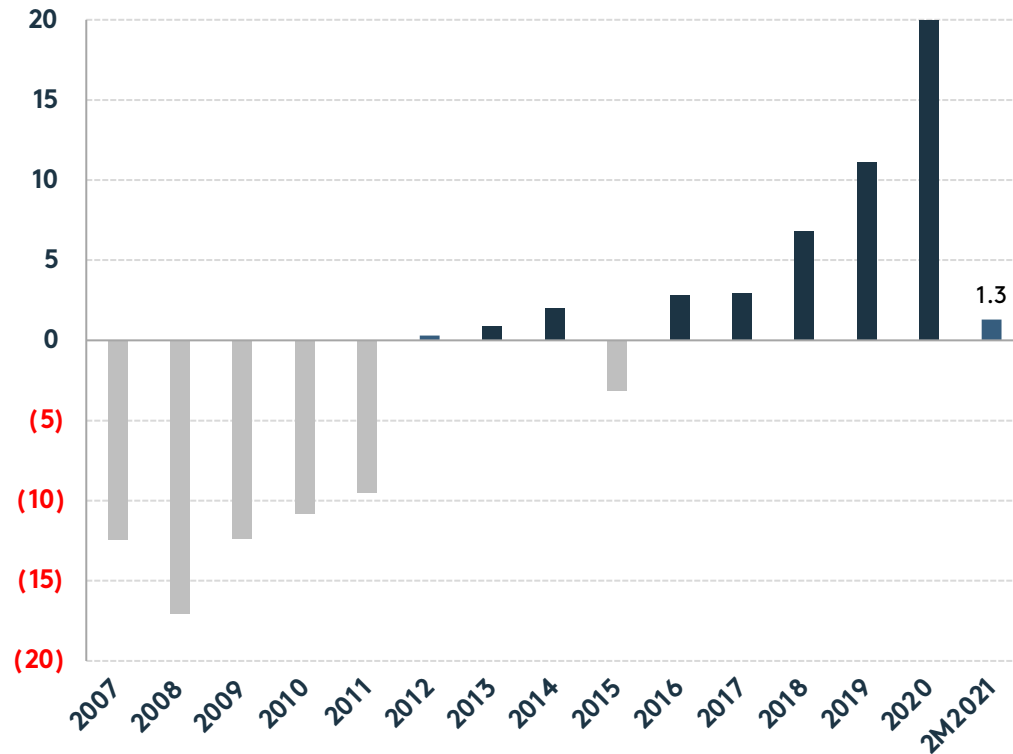
FPT Digital



Supportive Macro environment

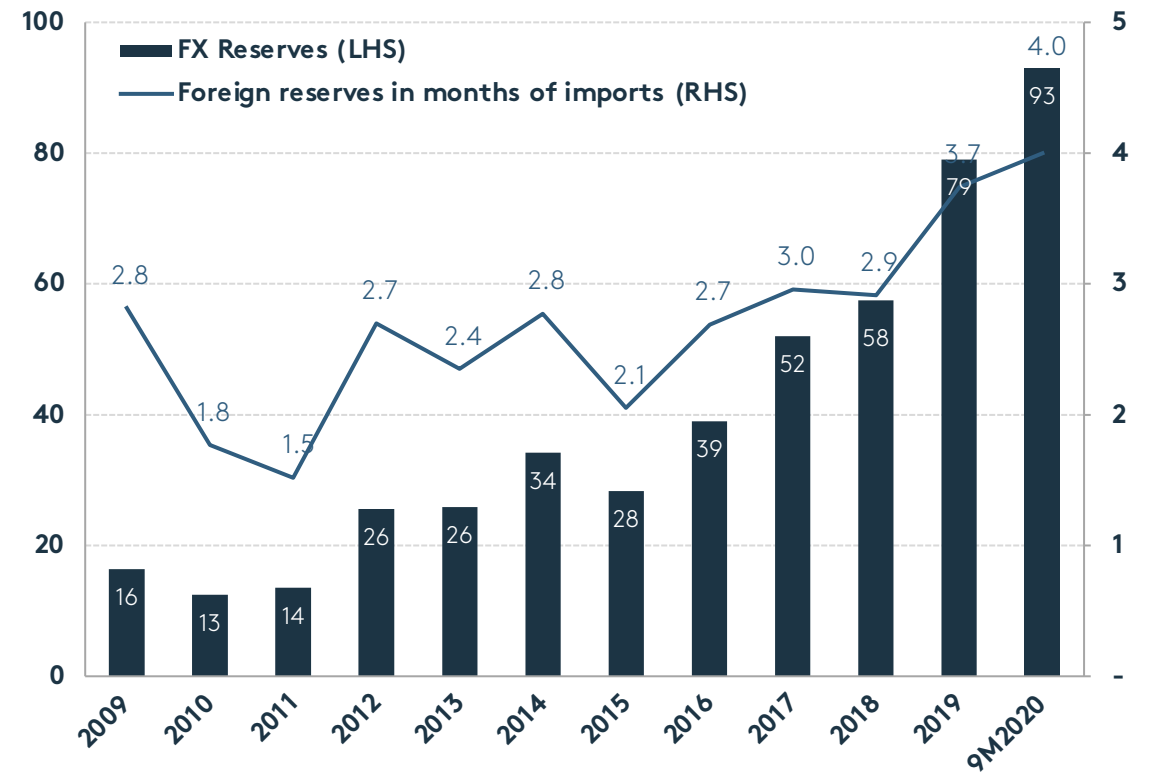


Vietnam's trade balance (USD bn)



- The trade surplus status should remain in 2021 on the expectations of high growth in exports.

Record high FX reserve (USD bn)



- Reserves ~USD100bn in 2020.

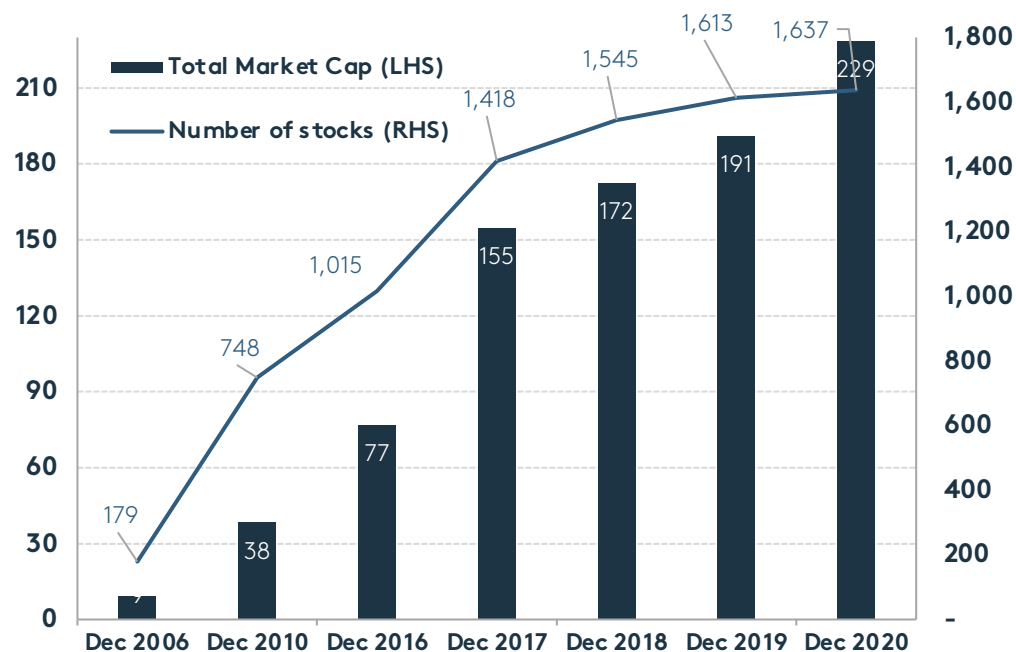


	2016	2017	2018	2019	2020	2021F
GDP (USD bn)	205	224	245	262	270	288
GDP/capita (USD)	2,186	2,385	2,540	2,700	2,800	3,300
GDP Growth (%)	6.2	6.8	7.1	7.0	2.9	6.8
Inflation (%)	4.7	3.5	3.5	2.8	3.2	4.5
Export Growth (%)	8.6	21.0	13.8	8.2	7.0	12
Import Growth (%)	4.6	21.2	12.1	7.1	3.8	10.0
Trade Balance (USD bn)	2.7	2.7	7.4	11.1	20.0	31.0
FDI Disbursement (USD bn)	15.8	17.5	19.1	20.4	20.0	25.0
FDI (% of GDP)	7.7	7.8	7.8	7.8	7.4	8.8
VND/USD Depreciation (%)	1.3	-0.27	2.6	0.1	0.0	0.0
FX Reserves (*) (% of GDP)	20.2	26.8	26.6	31.3	37.5	40.3

Development of the Equity Market

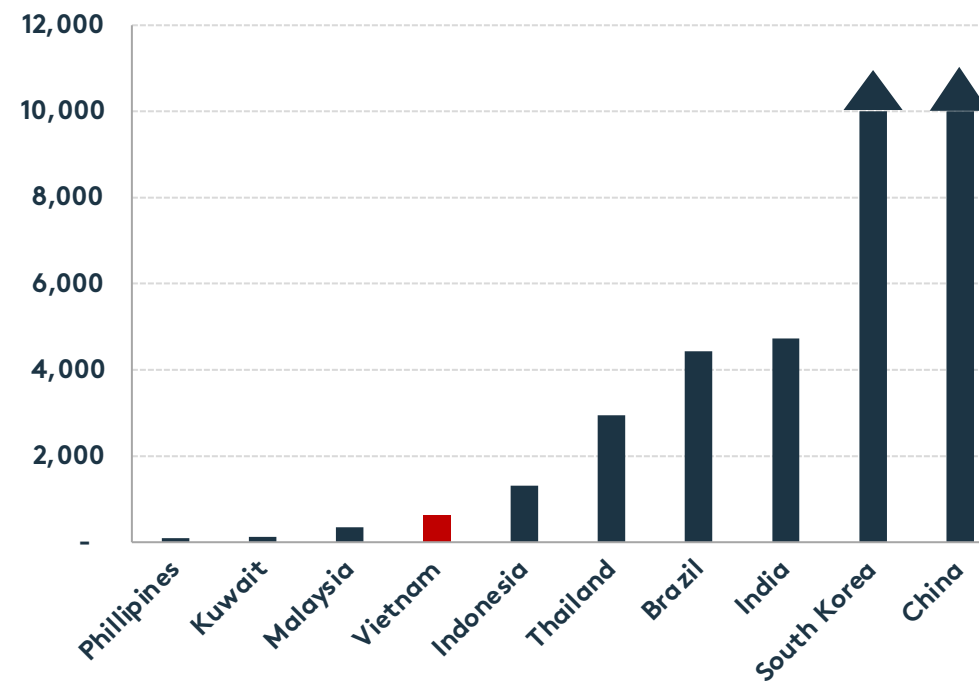


Market capitalization (USD bn)

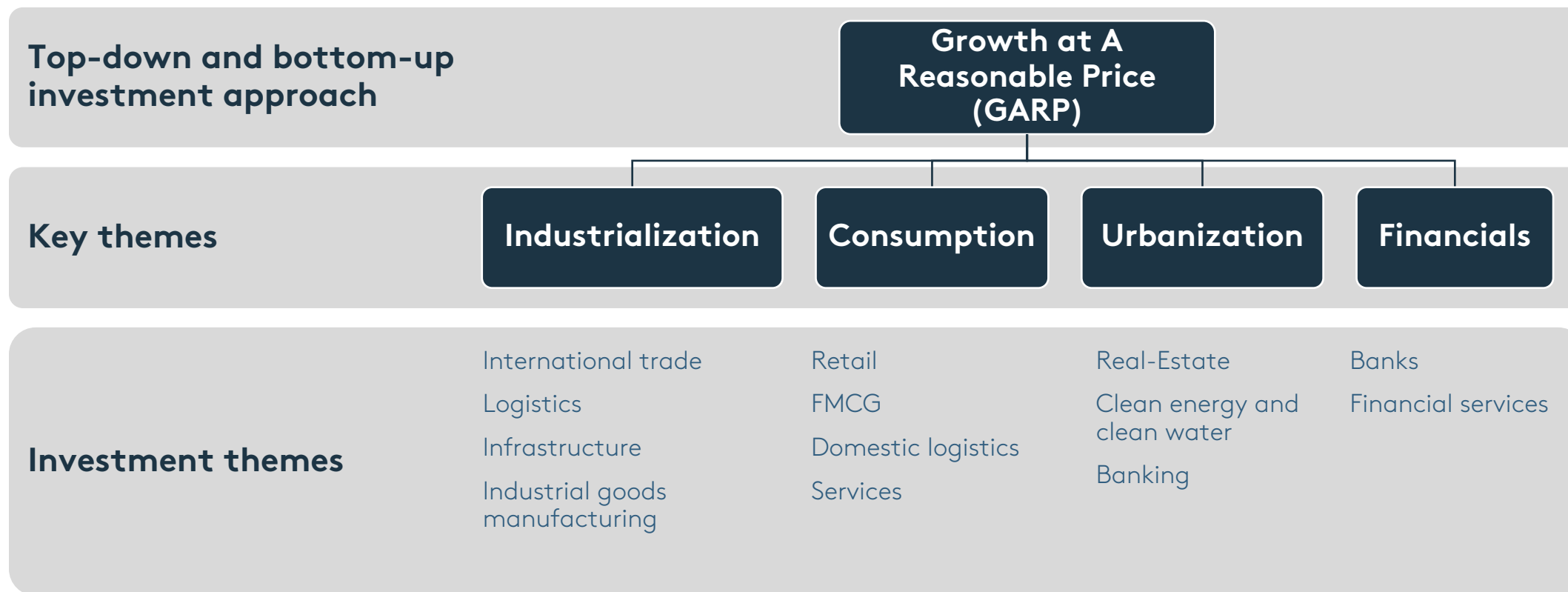


- Total market cap grew since 2017 due to new IPOs of private companies and State-Owned Enterprises.
- Regulations on mandatory listing of public companies and privatization of public sector will boost market cap more.

Equity market liquidity when compared to MSCI EMs (USD mn)



- Vietnam's average daily volume is \$600 million: higher than some MSCI EM Index markets.



VNH Portfolio

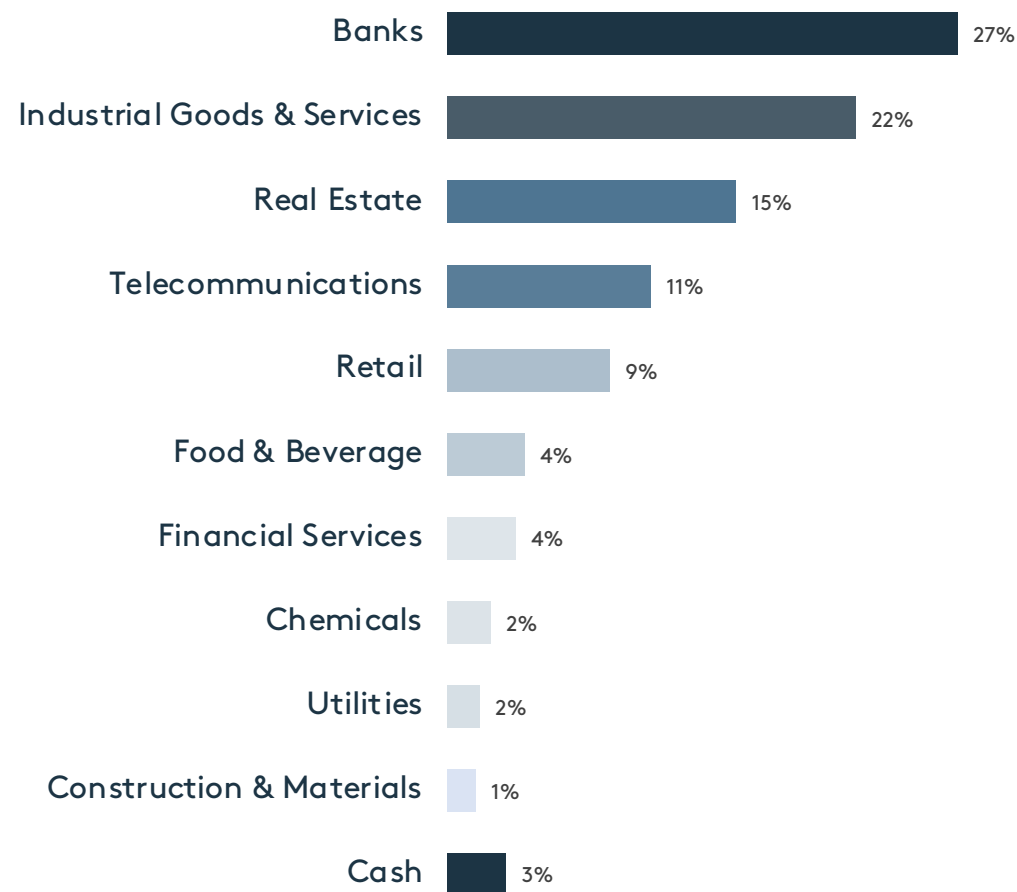
High Conviction/Concentrated Portfolio Across Key Themes of Domestic Consumption, Urbanization and Industrialization



Top Ten Holdings

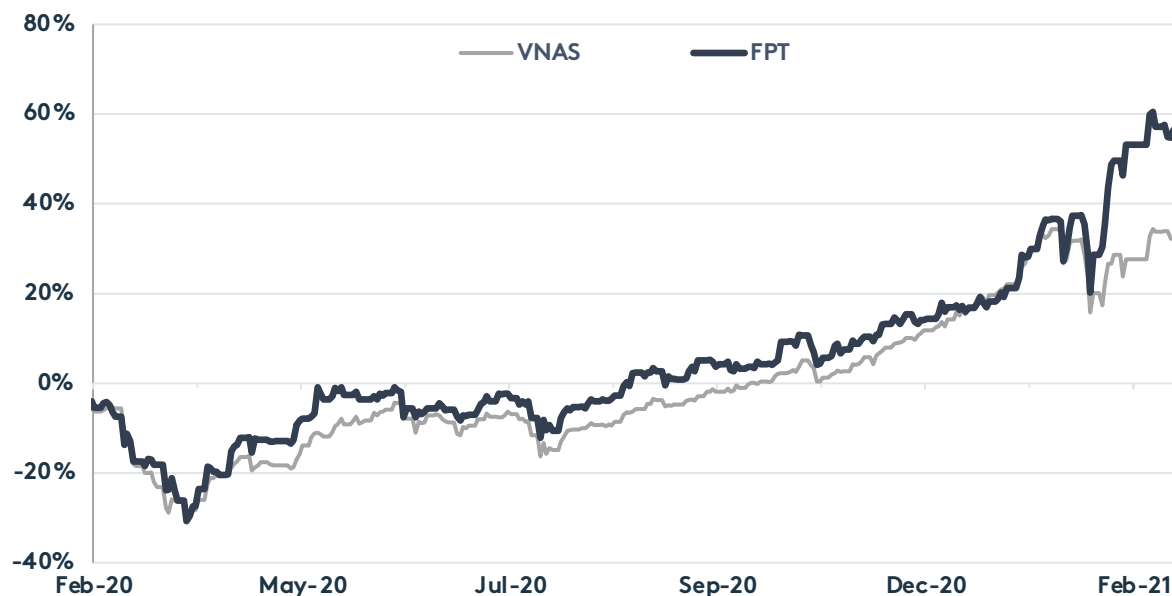
Company	% NAV
FPT	10.8%
Hoa Phat Group	8.8%
VietinBank	8.5%
Vinhomes	7.0%
VP Bank	6.8%
MB Bank	5.4%
Gemadept Corp	5.3%
Khang Dien House	4.7%
Mobile World	4.6%
ABA Cooltrans	4.0%
Total	65.9%

Sector Allocation



FPT Corporation (FPT: HOSE)

Digital Transformation, IT Outsourcing, Broadband and IT Education



Investment Case

- End-to-end digital transformation solutions provider for international and domestic companies.
- Top 3 broadband player with > 15% annual subscriber growth
- Education business covers elementary to university with nearly 60,000 students.

Business Updates

- 2020 revenue of ~US\$1.3 billion (+7.6%YoY) and net profit of US\$154 million (+12.8%YoY).
- Profit growth driven by Software Outsourcing (PBT +14% YoY) & Telecom Services (PBT +22% YoY).
- Conservatively forecast 2021 EPS growth of 18%.
- FPT trades at 15.6x 2021PER versus peers (18x -25x for technology).

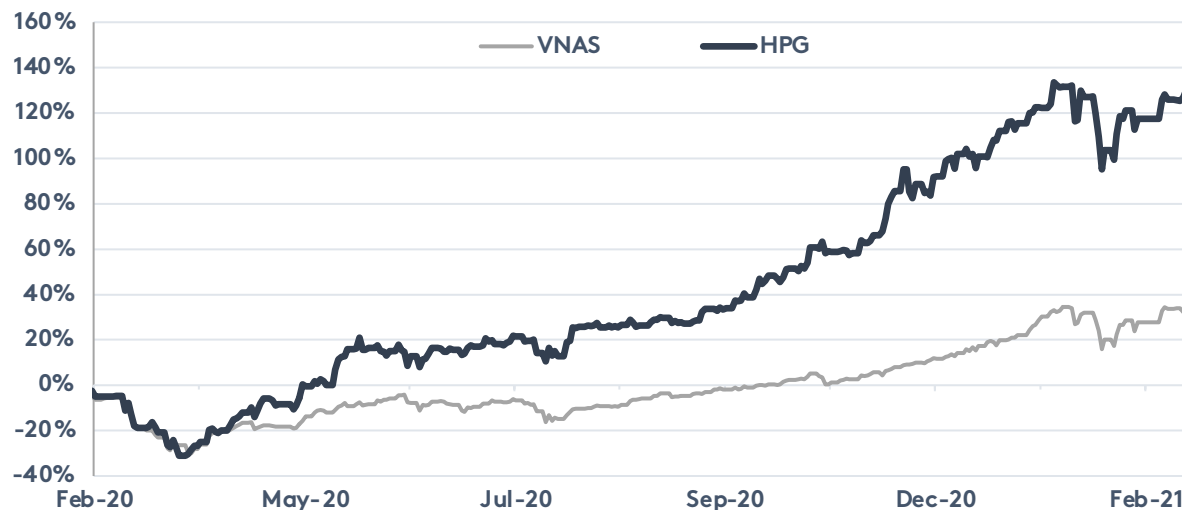
Stock information	
Market cap (USD mn)	2,596
Share O/S (million)	784
Free float	73%
Avg. trading volume	2,814,720
Available foreign room	0%

Investment summary	
Invested amount	\$4.7m
% NAV	10.8%
Cost per share (VND)	22,324
Current price (VND)	76,200
Unrealized gain	\$11.5m

Key financial highlights	2021F
EPS growth	18%
PER	15.6
PB	2.7
ROE	21%
ROA	10%
EV/EBITDA	8.2
Net Debt/Equity	20%

Hoa Phat Group (HPG: HOSE)

Market leading Integrated steel player: infrastructure for urbanization & industrialization



Investment Case

- 32% market share in construction steel and steel pipe industry in Vietnam.
- fully integrated manufacturing complex, lower cost producer.
- Expanding into Hot Rolled Coil

Business Updates

- 2020 Net revenue of ~US\$ 3.9 billion (+42% YoY) and Net Profit of ~US\$600 million (+78% YoY)
- Forecasted net profit growth of ~26% in 2021.
- Company trades at 2021 PER of 9.4x

Stock information	
Market cap (USD mn)	6,566
Share O/S (million)	3,313
Free float	54%
Avg. trading volume	25,404,633
Available foreign room	18%

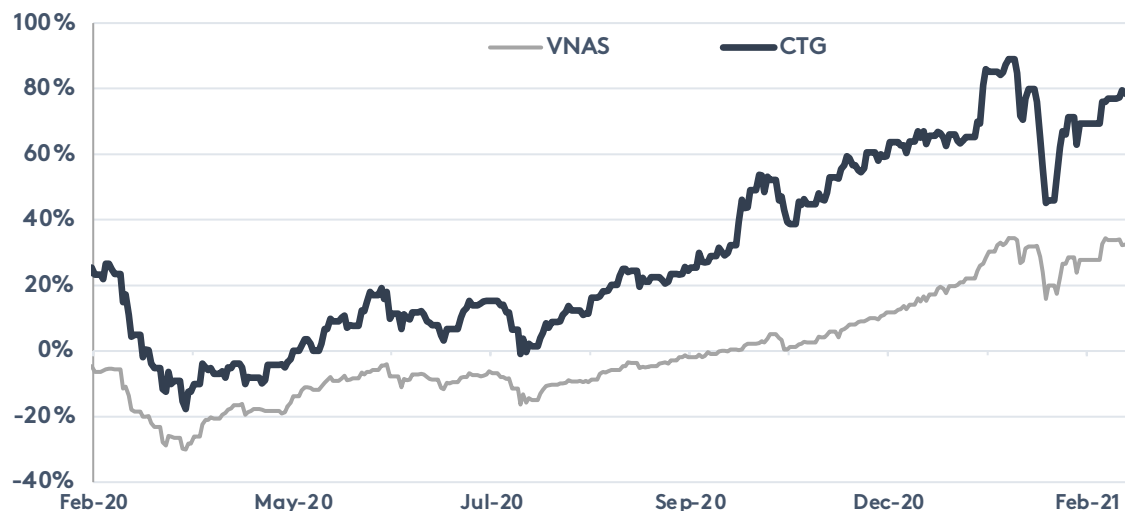
Investment summary	
Invested amount	\$4.5m
% NAV	8.8%
Cost per share (VND)	15,637
Current price (VND)	45,600
Unrealized gain	\$8.7m

Key financial highlight	2021F
EPS growth	25.8%
PER	9.4
PB	2.1
ROE	25.8%
ROA	12.9%
EV/EBITDA	6.3
Net Debt/Equity	0.51

Source: Dynam Capital, Bloomberg as of 26 Feb 2021

Vietinbank (CTG: HOSE)

Vietnam's third largest bank, second largest branch network, Japanese strategic partner



Investment Case

- market share of 11.5% in loans and 10.2% in deposits.
- 1,136 transaction points and 24,105 employees.
- net profit expected to grow at a CAGR of 20% in the next 3 years.

Business Updates

- In 2020 NPAT increased 45% YoY on robust non-interest income growth and lower provision expenses.
- Asset quality improved with NPL of 0.9% and LLR of 132%
- Entered an exclusive bancassurance contract with Manulife
- In 2021, NPAT is expected to grow at 29% YoY
- CTG trades at 2021F PE of 9.6x and PB of 1.4x.

Stock information	
Market cap (USD mn)	6,028
Share O/S (million)	3,723
Free float	36%
Avg. trading volume	10,178,663
Availabe foreign room	2%

Investment summary	
Invested amount	\$9m
% NAV	8.5%
Cost per share (VND)	26,050
Current price (VND)	37,250
Unrealized gain	\$3.9m

Key financial highlights	2021F
EPS growth	29.1%
PER	9.6
PB	1.4
ROE	19.3%
ROA	1.3%
NIM	2.9%
NPL	1.0%



VNH outperforming the Vietnam Index

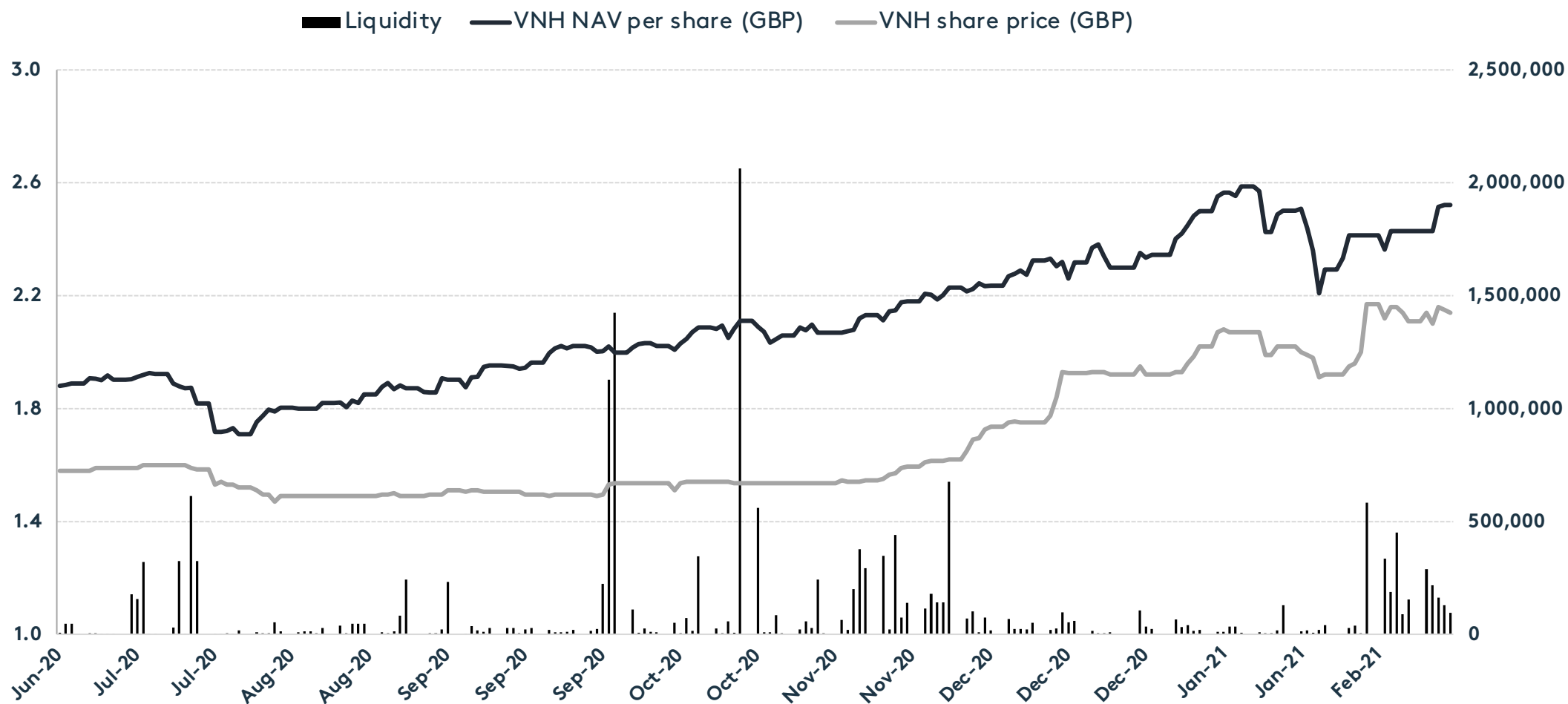
	Feb 2021	YTD 2021	Fiscal YTD (30 Jun 2020 - 28 Feb 2021)	Inception (30 Jun 2006 - 28 Feb 2021)
VNH NAV/Share	11.1%	9.2%	51.4%	81.9%
VN-Index (USD)	10.7%	6.2%	42.7%	57.5%

LSE: VNH – Liquidity and performance

Discount narrowing, share price increasing, liquidity increasing



VNH still trades at a wider discount to NAV than its peers ~18%



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